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SACRAMENTO - SAN JOAQUIN
DELTA CONSERVANCY
 A California State Agency

1450 Halyard Drive, Suite 6
 West Sacramento, CA 95691
www.deltaconservancy.ca.gov

Proposition 1 Grant Program Update

Staff Report

CYCLE 4 – FISCAL YEAR 2018-2019 SOLICITATION PLANNING

Agenda Item 10 brings the final Grant Guidelines before the Board for consideration.

APPROVED PROJECT UPDATE

In its first three grant cycles, the Conservancy awarded or reserved approximately \$29.2 million of Proposition 1 funds for eligible projects. A brief overview of each grant cycle, the status of each project by grant cycle (in numerical order of the assigned grant number), and a map of all approved project locations (Figure 1) are included herein.

Cycle 3 – Fiscal Year 2017-2018

The Board awarded or reserved approximately \$18.9 million for nine projects (four planning and five implementation). Staff is working with grantees to negotiate grant agreements. New information is highlighted.

<u>Project</u>	Bay Point Habitat Restoration Project (Implementation)
<u>Amount Awarded</u>	\$2,100,000
<u>County</u>	Contra Costa
<u>Conservancy ID</u>	Prop 1-1701
<u>Grantee</u>	East Bay Regional Park District
<u>Overview</u>	Restore 44 acres of wetland and grassland and 5,595 linear feet of saline emergent marsh channel at Bay Point Regional Shoreline Park
<u>Board Action/Deadline</u>	Conditional Approval – August 2018
<u>Conditions/Status</u>	<ol style="list-style-type: none"> 1. Revised budget. 2. Plan for addressing Contra Costa Mosquito & Vector Control District comments. 3. Memo addressing the Delta Stewardship Council's comments.
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	All conditions have been cleared.

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<u>Project</u>	Restoration Planning at River Garden Farms: Improving aquatic habitat resiliency on working lands along the Sacramento River (Planning)
<u>Amount Awarded</u>	\$661,189
<u>County</u>	Yolo
<u>Conservancy ID</u>	Prop 1-1702
<u>Grantee</u>	American Rivers
<u>Overview</u>	Develop restoration design plans for seven different project sites at River Garden Farms to restore ecosystem function in floodplain, wetland, and riparian habitats and provide habitat connectivity on a working farm
<u>Board Action/Deadline</u>	Conditional Approval – August 2018
<u>Conditions/Status</u>	<ol style="list-style-type: none"> 1. Revised budget. 2. Letter verifying that this Central Valley Habitat Exchange project is not mitigation. 3. Memo addressing Delta Stewardship Council comments.
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	The grantee provided a memo for the Delta Stewardship Council, and the Council replied that their concerns were satisfied. Work is progressing on clearing the other conditions.
<u>Project</u>	Mitchell Trust Farm Multi-Species Habitat Conservation Easement Acquisition (Implementation)
<u>Amount Awarded</u>	\$2,829,718
<u>County</u>	Yolo
<u>Conservancy ID</u>	Prop 1-1707
<u>Grantee</u>	Yolo Habitat Conservancy
<u>Overview</u>	Purchase a multi-species habitat conservation easement on the 275- acre Mitchell Trust Farm property to protect important habitat for listed species in perpetuity
<u>Board Action/Deadline</u>	Conditional Approval – August 2018
<u>Conditions/Status</u>	<ol style="list-style-type: none"> 1. Revised budget.
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	The grantee is working toward clearing conditions and meeting the conditions of the land acquisition checklist: they are drafting budget justifications and Board authorization language.

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<u>Project</u>	Knightsen Wetland Restoration and Flood Protection Project (Planning)
<u>Amount Awarded</u>	\$1,225,000
<u>County</u>	Contra Costa
<u>Conservancy ID</u>	Prop 1-1709
<u>Grantee</u>	East Contra Costa County Habitat Conservancy
<u>Overview</u>	Advance planning for restoring wetlands and managing and treating stormwater on public land in Knightsen
<u>Board Action/Deadline</u>	Conditional Approval – August 2018
<u>Conditions/Status</u>	1. Letter of authorization to apply for grant funding to the Conservancy. 2. Revised budget.
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	All conditions have been cleared.
<u>Project</u>	Grizzly Slough Floodplain Restoration Project at the Cosumnes River Preserve (Implementation)
<u>Amount Awarded</u>	\$8,700,800
<u>County</u>	Sacramento
<u>Conservancy ID</u>	Prop 1-1710
<u>Grantee</u>	Department of Water Resources
<u>Overview</u>	Restore wetland and riparian habitat to the 334-acre site by breaching the levee and reintroducing tidal and seasonal flooding, and by establishing native vegetation
<u>Board Action/Deadline</u>	Reserved Funding – October 2018
<u>Conditions/Status</u>	1. Revised budget. 2. Memo addressing Delta Stewardship Council comments. 3. Presentation of flood impacts to Conservancy Board.
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	The grantee is working toward completing a CEQA addendum. The grantee presented the requested information to the Board at the May 23, 2018 Board meeting. Work is progressing on clearing the other conditions.

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<u>Project</u>	Three Creeks Parkway Restoration Project #2 (Implementation)
<u>Amount Awarded</u>	\$999,318
<u>County</u>	Contra Costa
<u>Conservancy ID</u>	Prop 1-1711
<u>Grantee</u>	American Rivers
<u>Overview</u>	Add one acre of habitat to the current Three Creeks Parkway Restoration project, thereby enhancing the ecological benefits of that project while satisfying flood conveyance needs to protect the local area, and allowing the larger project to move forward
<u>Board Action/Deadline</u>	Reserved Funding – October 2018
<u>Conditions/Status</u>	<ol style="list-style-type: none"> 1. Revised budget. 2. Additional information explaining the decision not to hire an engineer to aid in project design. 3. Appropriate engineering design documents to qualify as an implementation project. 4. Plan for addressing Contra Costa Mosquito & Vector Control District comments. 5. Memo addressing Delta Stewardship Council comments.
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	The grantee has completed a CEQA addendum. Work is progressing on clearing the other conditions. The Conservancy has requested information from the grantee to differentiate between two Three Creeks grants, and to help manage both grants.
<u>Project</u>	Bees Lakes Habitat Restoration Plan (Planning)
<u>Amount Awarded</u>	\$592,500
<u>County</u>	Yolo
<u>Conservancy ID</u>	Prop 1-1712
<u>Grantee</u>	City of West Sacramento
<u>Overview</u>	Develop a detailed habitat restoration plan to restore disturbed riparian habitat, control non-native species, improve pond water quality, and improve the ability of the Bees Lakes area to support listed species
<u>Board Action/Deadline</u>	Conditional Approval – August 2018
<u>Conditions/Status</u>	<ol style="list-style-type: none"> 1. Revised budget.
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	All conditions have been cleared.

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<u>Project</u>	Stone Lakes Restoration Project (Planning)
<u>Amount Awarded</u>	\$635,573
<u>County</u>	Sacramento
<u>Conservancy ID</u>	Prop 1-1713
<u>Grantee</u>	Ducks Unlimited Inc.
<u>Overview</u>	Planning to restore approximately 257 acres of seasonal wetland and 39 acres of riparian seasonal wetland, and enhance 20 acres of existing low-quality wetland on the Stone Lakes National Wildlife Refuge
<u>Board Action/Deadline</u>	Conditional Approval – August 2018
<u>Conditions/Status</u>	1. Revised budget.
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	All conditions have been cleared.
<u>Project</u>	Nutria Eradication Project (Implementation)
<u>Amount Awarded</u>	\$1,125,577
<u>County</u>	Multiple
<u>Conservancy ID</u>	Prop 1-1718
<u>Grantee</u>	California Department of Fish and Wildlife
<u>Overview</u>	Eliminate nutria from all known and discovered locations in California to prevent nutria from causing significant ecological damage in the Delta
<u>Board Action/Deadline</u>	Approved
<u>Conditions/Status</u>	None
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	Staff is developing a grant agreement with a target start date of September 1, 2018.

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CYCLE 2 – Fiscal Year 2016-2017

The Board awarded or reserved approximately \$4.4 million for four projects (one planning and three implementation). Three grant agreements have been executed, and one has been delayed due to permitting issues. New information is highlighted.

<u>Project</u>	Dutch Slough Revegetation (Implementation)
<u>Amount Awarded</u>	\$2,900,000
<u>County</u>	Contra Costa
<u>Conservancy ID</u>	Prop 1-1602
<u>Grantee</u>	Reclamation District 2137
<u>Overview</u>	Establish and maintain 468 acres of native tidal marsh, riparian, and grassland vegetation at the Dutch Slough restoration site
<u>Board Action/Deadline</u>	Conditional Approval – July 2017
<u>Conditions/Status</u>	All conditions have been met.
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	Due to permitting delays, construction did not begin during the 2017 construction window. Therefore, the revegetation phase, to which Conservancy funds are being applied, will also be delayed. Staff plans to delay execution of the grant agreement until 2019 to ensure implementation does not exceed the 3-year grant funding term.
<u>Project</u>	Petersen Ranch: Working Waterway Habitat Enhancement Project (Implementation)
<u>Amount Awarded</u>	\$444,795
<u>County</u>	Solano
<u>Conservancy ID</u>	Prop 1-1605
<u>Grantee</u>	Solano Resource Conservation District
<u>Overview</u>	Restore 13.5 acres of riparian habitat and improve water quality through improved cattle management practices on approximately 525 acres of actively farmland along Lindsey Slough
<u>Grant Agreement Status</u>	Active as of 9/1/17
<u>Update</u>	The project team has installed all cattle management improvements and has developed the planting plan for the fall 2018 planting season.

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Project **Restoration of Priority Wetlands for Endangered Species at the Cosumnes River Preserve (Implementation)**

Amount Awarded \$943,549

County Sacramento

Conservancy ID Prop 1-1608

Grantee Sacramento County Regional Parks

Overview Restore 110 acres of freshwater wetlands to benefit listed species

Board Action/Deadline Funding Reserved – September 27, 2017

Conditions/Status All conditions have been met.

Grant Agreement Status Active as of 1/8/18

Update The grantee is continuing with baseline monitoring and data collection.

Project **Investigations of restoration techniques that limit invasion of tidal wetlands (Planning)**

Amount Awarded \$107,655

County Contra Costa

Conservancy ID Prop 1-1612

Grantee The Regents of the University of California (UC Davis)

Overview Identify improved methods for tidal wetland revegetation that reduce invasion by non-native plants at Dutch Slough

Grant Agreement Status Active as of 1/8/18

Update Site preparation was completed by project partners and the grantee has begun site setup. The California Conservation Corps has been contracted for plant installation, but there is a risk that they will be pulled away to work on fires during the planting season.

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CYCLE 1 – Fiscal Year 2015-2016

The Board awarded or reserved funding \$5.9 million for eight projects (four planning and four implementation). To date, six grant agreements have been fully executed. New information is highlighted.

<u>Project</u>	Yolo Bypass Wildlife Area Habitat and Drainage Improvement Project (Implementation)
<u>Amount Awarded</u>	\$2,000,000
<u>County</u>	Yolo
<u>Conservancy ID</u>	Prop 1-Y1-2015-003 (1503 on map)
<u>Grantee</u>	Ducks Unlimited
<u>Overview</u>	Implement habitat and working landscape enhancements in the Yolo Bypass Wildlife Area
<u>Board Action/Deadline</u>	Funding Reserved – original March 22, 2017, 1 st extension to July 26, 2017, 2 nd extension to January 24, 2018
<u>Conditions/Status</u>	All conditions have been met.
<u>Grant Agreement Status</u>	Grant Agreement Pending
<u>Update</u>	A budget amendment is proposed as agenda item 9
<u>Project</u>	Fish Friendly Farming Certification Program for the Sacramento-San Joaquin Delta (Planning)
<u>Amount Awarded</u>	\$89,450
<u>County</u>	All Delta Counties
<u>Conservancy ID</u>	Prop 1-Y1-2015-005 (1505 on map)
<u>Grantee</u>	California Land Stewardship Institute
<u>Overview</u>	Develop a program to work with farmers to improve water quality, that is specific to the crops and water quality concerns in Delta counties
<u>Grant Agreement Status</u>	Active as of 1/9/17
<u>Update</u>	The grantee held the second stakeholder meeting, is developing best management practices for 10 crop types, and is looking for stakeholders to become early adopters of these practices.

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Project **Sherman Island Wetland Restoration Project Phase III (Planning)**
Amount Awarded \$100,000
County Sacramento
Conservancy ID Prop 1-Y1-2015-008 (1508 on map)
Grantee Ducks Unlimited
Overview Plan and design for the restoration of 1600 acres of emergent wetlands
Grant Agreement Status Active as of 10/20/2017.
Update Project is delayed due to lack of a site access agreement.

Project **Three Creeks Parkway Restoration Project (Implementation)**
Amount Awarded \$836,409
County Contra Costa
Conservancy ID Prop 1-Y1-2015-009 (1509 on map)
Grantee American Rivers
Overview Convert denuded flood control channel at the confluence of Marsh, Sand, and Deer Creeks into a healthy stream corridor
Grant Agreement Status Active as of 6/27/17
Update The CEQA process is complete. The grantee is waiting for a final land tenure agreement. The project is scheduled to break ground in summer or fall of 2019. This agreement will require an amendment for time that will be negotiated along with the Three Creeks projects from grant cycle 3 (#Prop 1-1711).

Project **Paradise Cut Flood and Conservation Easement Acquisition Project (Implementation)**
Amount Awarded \$2,000,000
County San Joaquin
Conservancy ID Prop 1-Y1-2015-010 (1510 on map)
Grantee San Joaquin Resource Conservation District
Overview Purchase flood and conservation easements to protect agriculture for Swainson's Hawk and to protect the opportunity to build a new flood bypass at Paradise Cut in the future
Board Action/Deadline Funding Reserved – March 2017
Conditions/Status All conditions have been met.
Grant Agreement Status Grant Agreement Pending
Update The grantee is pursuing several avenues for advancing this project given its complex legal issues. The grantee will determine the viability of this project by August 2018 with a goal of closing escrow in June 2019.

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Project Paradise Cut Conservation and Flood Management Planning Project (Planning)

Amount Awarded \$99,924

County San Joaquin

Conservancy ID Prop 1-Y1-2015-012 (1512 on map)

Grantee San Joaquin Resource Conservation District

Overview Develop a conservation and flood management plan for a new flood bypass at Paradise Cut

Grant Agreement Status Active as of 7/6/17

Update The project team held its first agency coordination meeting and has completed the Existing Conditions memo.

Project Wildlife Corridors for Flood Escape on the Yolo Bypass Wildlife Area Project (Implementation)

Amount Awarded \$688,195.64

County Yolo

Conservancy ID Prop 1-Y1-2015-016 (1516 on map)

Grantee Yolo Resource Conservation District

Overview Restore up to 5 miles (22 acres) of floodway-compatible wildlife and pollinator habitat, providing a transit corridor for wildlife during floods

Grant Agreement Status Active as of 1/24/17

Update The agreement was amended to provide money for the unforeseen modeling requested by the Central Valley Flood Protection Board. Additional information is provided in attachment 2. The grantee has completed the 2D modeling requested by the Central Valley Flood Protection Board and is working to secure a flood permit.

Project Lower Marsh and Sand Creek Watershed Riparian Restoration Planning Project (Planning)

Amount Awarded \$73,493

County Contra Costa

Conservancy ID Prop 1-Y1-2015-019 (1519 on map)

Grantee American Rivers

Overview Improve restoration project efficiency within the Marsh/Sand Creek watershed through development of a programmatic CEQA document and permit, including stormwater planning.

Grant Agreement Status Active as of 10/19/16

Update The grantee is moving forward with a Programmatic Mitigated Negative Declaration CEQA document.

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BACKGROUND

The Conservancy's Proposition 1 Ecosystem Restoration and Water Quality Grant Program funds \$50 million in multibenefit ecosystem and watershed protection and restoration projects in accordance with statewide priorities. The Grant Program is a two-step process, requiring both a concept proposal and a full proposal. Full proposals are subject to a rigorous scoring and evaluation process by both staff and a professional review panel, and are recommended for funding based upon score and funding availability.

Contact

Aaron Haiman, Environmental Scientist

Sacramento-San Joaquin Delta Conservancy

Email: aaron.haiman@deltaconservancy.ca.gov

Phone: (916) 376-4023

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Figure 1. Map of Funded Projects

